UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
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To all interested parties:

EPA Region 8, with the assistance of the EPA Office of Science and Technology in Washington, D.C., will do an economic analysis to assess disposal options for water that is produced as part of the coalbed methane (CBM) extraction process. The analysis will support the determination of effluent limitations that represent Best Available Technology Economically Achievable (BAT) for CBM produced waters. Several technologies are being considered for both technical and economic feasibility, including several water treatment technologies: zero discharge via reinjection, infiltration and evaporation; and beneficial use of the effluent in agriculture and wildlife water use. The main objective of this action is to support EPA permitting in Indian Country, fulfilling our trust responsibility with Tribes to implement environmental laws and regulations.

EPA will use the Eastern Research Group (ERG), an EPA contractor, to gather much of the economic, technical and environmental data from sources such as the WY Oil and Gas Compact Commission, coalbed methane NPDES permittees, trade associations, energy agencies, CBM operators/facilities, literature searches and industry experts. The data will eventually be used to establish technology-based standards applicable to all CBM dischargers permitted by EPA Region 8.

The study will focus on CBM facilities in the Powder River and Raton Basins as these are the areas where waters from current CBM production are of sufficient quality to be considered for beneficial uses. The study will identify management and control measures available for these produced water discharges. It will then assess the technical and economic feasibility of those measures. Using available data, the study will describe the costs, benefits, limitations and pollutant removal efficiencies of each management control measure. The economic profile data collection will focus on firm-level data and information on CBM reserves and number of CBM wells. The technical profile will primarily focus on project-level data such as number of operations, size of operations, location of operations, location of receiving streams, production basis, water use, wastewater generation, wastewater characterization, pollutants of concern, treatment processes, and pollution prevention opportunities. EPA seeks the cooperation and input of all stakeholders such as the WY DEQ, MT DEQ, individual landowners, environmental groups, trade organizations, producers, drillers and pipe line/transmission companies in gathering data and information. ERG will begin this work soon and will be contacting these organizations.

EPA will include this information in its study of Best Available Technology for CBM producers. The study will present a profile of the CBM industry, options and associated costs to operators, impacts to operators and other entities, regulatory flexibility, environmental assessment and cost-benefit analysis of the different treatment alternatives. The information should be useful to EPA for establishing NPDES permit requirements in Indian Country and for other federal agencies environmental planning. This information will also be made available to all regulatory agencies for their use.

Prior to finalizing the study, a public meeting will be held with stakeholders to provide an opportunity to comment on the analysis of the data and the products of the study. The public involvement process will be designed to ensure that stakeholders needs are considered and to ensure the validity of the study. EPA expects an initial draft by August and final products by October.

Thank you in advance for your cooperation and participation. Should you want to discuss this effort, provide information, or participate in the study, please call Michael Reed at 303-312-6132 or Brad Crowder at 303-312-6396.

Sincerely,

Original Signed by

Max H. Dodson
Assistant Regional Administrator
Office of Ecosystems Protection and Remediation